Restarting of Badla System

† 3922. SHRI P. K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received certain suggestions from FICCI and other organisations to restart 'Badla System' which was recently discontinued by the SEBI after the latest scams in the share market;

(b) if so, whether there is an apprehension of less investments in the capital market after the discontinuation of "Badla" trade by the SEBI; and

(c) if so, Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) to (c) Government had received representations from Brokers's Forum and Association of NSE Members of India, which *inter-alia,* recommended reintroduction of deferral products on the stock exchanges.

Based on the recommendations of a Group constituted by SEBI to review the need for having deferral products in rolling settlement, the SEBI Board in its meeting held on May 14, 2001 had decided that all deferral products including Badla would cease to be available with effect from July 2, 2001, except for transitional measure for liquidation of the existing positions.

Leveraged trading in the badla market, regulatory arbitrage across stock exchanges due to different settlement periods led to "unhealthy" trading practices and were considered as flaws in the market design of our stock exchanges. Introduction of rolling settlement and abolition of badla are consistent with and a logical extension of the reforms that have taken place in the stock markets in the 1990s.

DFID assisted Projects in Orissa

3923. SHRI ANANTA SETHI: Will the Minister of FINANCE be pleased to state:

(a) what are the DFID assisted projects being launched in Orissa at present;

(b) the amount of DFID assistance obtained for those projects so far;

(c) the project-wise details thereof;

(d) whether some more projects are also in the pipeline for DFID assistance; and

(e) if so, the details thereof?

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† Original notice of the question was received in Hindi.